



***United States Attorney
Southern District of New York***

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CONTRACTOR PLEADS GUILTY TO INSURANCE FRAUD

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced that LOUIS CORDASCO, JR. pleaded guilty today in Manhattan federal court to participating in a scheme to commit insurance fraud in connection with the flooding of several multi-million dollar homes. According to the superseding Information to which CORDASCO pleaded guilty, other documents filed in the case, and statements made during the guilty plea proceeding:

From January 2003 through February 2005, LOUIS CORDASCO, JR. and others engaged in a scheme to defraud insurance companies by submitting false and misleading insurance claims and supporting documents for water damage caused by broken pipes at several homes purchased by CORDASCO's co-conspirators in a related mortgage fraud scheme.

CORDASCO was an owner of company named Crystal Restoration Enterprises, Inc., that specializes in restoration and emergency clean-up services. As part of the insurance fraud scheme, CORDASCO performed emergency clean-up services at various homes that had suffered water damage from broken pipes. In February 2003, CORDASCO submitted a fraudulently inflated appraisal for certain personal possessions as part of an insurance claim made by one of his co-conspirators for damage caused by a pipe break at a home in Purchase, New York.

According to the Indictment, in February 2005, CORDASCO planned to break pipes at another home in Purchase, New York in order to submit false insurance claims for water damage.

CORDASCO pleaded guilty to one count of conspiracy to commit mail fraud. He faces a maximum prison term of five years, a maximum fine of the greater of \$250,000 or twice the gross pecuniary gain or loss resulting from the crime, and restitution to the victims of his crime. He is scheduled to be sentenced by United States District Court Judge BARBARA S. JONES on October 24, 2008. Three other defendants charged in the case presently await trial, which is scheduled for September 2, 2008. As to the defendants awaiting trial, the charges are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

Mr. GARCIA praised the work of the FBI in the investigation of this case.

Assistant United States Attorneys KATHERINE R. GOLDSTEIN and JONATHAN B. NEW are in charge of the prosecution.

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